



U.S. Department of Justice
United States Attorney
District of Kansas

NEWS RELEASE

Eric Melgren, U.S. Attorney

Contact: Kena Rice

(316) 269-6481

Headquarters

1200 Epic Center
301 N. Main
Wichita, Kansas 67202
(316)269-6481
FAX (316)269-6484

Topeka Office

444 Quincy
Topeka, Kansas 66683

Kansas City Office

500 State Avenue
Suite 360
Kansas City, Kansas
66101

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MAN PLEADS GUILTY TO MAIL FRAUD

TOPEKA, Kan. – United States Attorney Eric Melgren announced that **Orvin Nordness, Jr.**, 57, McFarland, Wisconsin, previously of Colorado Springs, Colorado, entered a guilty plea on February 17, 2004, before Chief U.S. District Judge Julie A. Robinson to **one count of mail fraud.**

Melgren stated that Nordness admitted at his plea that from the Fall of 1997 through October 1999 he executed a scheme to defraud the City of Burlington, Kansas, and two individuals by obtaining loans from the City of Burlington and these two individuals and pledging as collateral for those loans 80,000 shares of stock which he never paid for and did not own. Nordness further admitted that as a consequence of his scheme to defraud, the City of Burlington lost at least \$200,708.68 and the two individuals lost at least \$166,000.

Nordness admitted that in September 1997 he formed a company, NtecH, L.L.C., which later became NtecH Plastics, L.L.C., for the purpose of manufacturing plastic pallets. Nordness admitted that he approached the City of Burlington about locating the manufacturing plant in Burlington, Kansas, and obtained an economic development loan in December 1997 from the City of Burlington. Nordness also admitted that he pledged 80,000 shares of stock that he did not own as collateral for the loan. Nordness also admitted that he did not repay the loan to the City of Burlington and that when the City of Burlington attempted to recover the loan by foreclosing on the 80,000 shares of stock, the City discovered that Nordness did not own the stock.

Nordness also admitted that he obtained loans from two individual in 1998 and pledged the same 80,000 shares of stock that he did not own as collateral for these two loans. Nordness further admitted that he did not repay these two loans resulting in a loss to these two individuals of at least \$166,000. Nordness admitted that he used the U.S. mail and interstate wires for the purpose of executing his scheme.

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Nordness faces a maximum of five years in federal prison without parole. Sentencing is set for May 17, 2004, at 9:00 a.m.

Melgren commended the excellent work of the FBI, the U.S. Postal Inspection Service, and the Office of the Kansas Securities Commissioner in this investigation and Assistant U.S. Attorney Tanya Treadway in this prosecution.